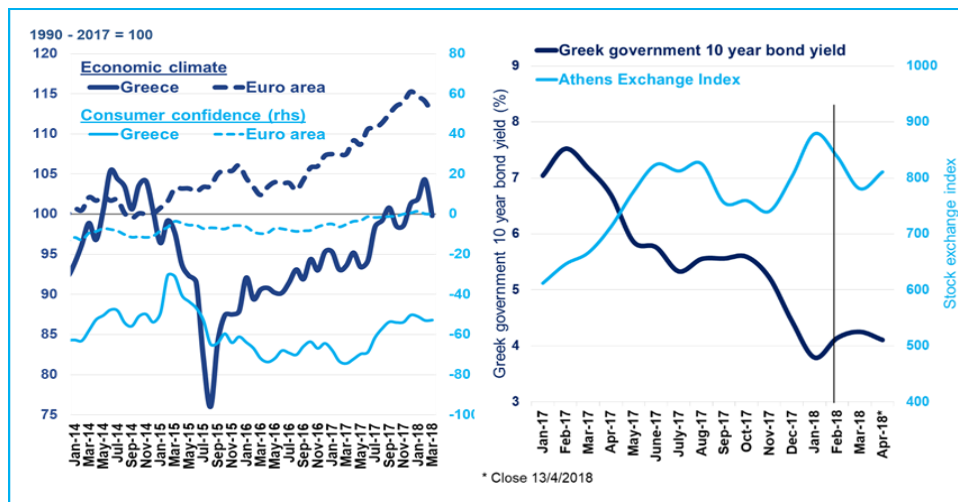


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**Economic climate (Greece and the Eurozone),
Greek bond yields, Athens Exchange Index**
(IOBE, Mar. 2017, ECB, Feb. 2018, Bloomberg, 13/04/2018)


Keep the deadlines so as to avoid a new cycle of uncertainty!

The improvement of the economic climate during the last quarter of 2017 and the first two months of 2018 was interrupted in March. On the one hand, this is in line with developments at international level, but, on the other hand, it probably reflects more general concerns on debt relief and funding conditions, as well as the state of economic policy making, after the end of the adjustment program in August of this year. At the same time, the weakness of private consumption (+0.1% in 2017) and low consumer confidence illustrate the unfavorable situation resulting from the overtaxation of households and businesses. Nevertheless, **the strong recovery in the global economy still favours Greek exports, while the beginning of the tourist season is likely to boost employment and retail sales. However, any slowdown in external demand in the coming months, due to rising protectionism and global uncertainty, may affect Greek exports of goods and services accordingly.**

According to the latest available data:

- **The dynamism of exports of goods excluding oil and ships continued in February 2018** (+13.4% in terms of value and +12.3% in terms of volume), with an overall increase of +17.6% in terms of value and +16.3% in terms of volume year-to-date, mainly as result of strong export performance of olive oil (+81.8%) and industrial products (+17.4%), especially industrial goods classified by material (+24,7%) and machinery (+14.5%).
- At the same time, **receipts from transportation and other services (mainly construction companies doing business abroad) kept on rising** by +11.3% in January 2018 on top of +16.9% overall in 2017 and +6.1% in January 2018 on top of +13.8% overall in 2017 respectively. Moreover, net travel receipts in January 2018 remained at the same level y-o-y, despite the remarkable increase by +16% in arrivals.
- **Retail sales volume excluding fuel rose by +1.5% in January 2018** (compared with a decline of -0.4% in January 2017), following the positive expectations in the retail sector, which, despite a slight setback in March 2018, are moving upwards. It is noted that the volume of retail sales excluding fuel recorded losses during the

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SUPPORTED BY:




The strong recovery in the global economy still favours Greek exports, while the beginning of the tourist season is likely to boost employment and retail sales. However, any slowdown in external demand in the coming months, due to rising protectionism and global uncertainty, may affect Greek exports of goods and services accordingly.

period Sep-Nov 2017 (-1.7%) but recovered in December 2017 (+2.1%), while in 2017 as a whole it grew by +1.3 % on top of +0.5% in 2016.

- **Turnover in services was up in Q4 2017, with most sectors being on the rise in 2017 as a whole**, especially management consultancy activities (+5.6% vs a decline of -19.7% in 2016) and legal and accounting activities (+5.6% vs a decline of -2.2% in 2016). At the same time, turnover in tourism kept on rising (+7.1% in Q4 2017 and +9.9% in 2017 as a whole) as a result of increasing arrivals, losses in maritime transportation turnover were significantly slowed down (-2.2% in Q4 2017 and -9.4% in 2017 as a whole) and turnover in land and air transport increased (+9.5% and +8.3 % respectively in 2017).
- **Although output in construction declined in 2017 (-14.6%) after three consecutive years of growth** (+15.5% in 2014, +3.1% in 2015 and +22.9% 2016), reflecting the completion of some major road construction projects, **private building activity as measured by the volume in m³ of permits shows signs of recovery** (+19.4% in 2017 and +41.7% in January 2018). This could be related to increased activity in the area of tourism real estate and second homes. Moreover, **turnover increases in industry sectors such as non-metallic mineral products (+17.9%, mainly due to cement and concrete), basic metals (+37.2%, mainly due to steel products-tubes), as well as machinery (+33.6%, mainly due to lifting and metalworking machinery), are all positive signs for the evolution of construction output. The absence of a national plan for a new generation of network and infrastructure projects may explain the low business confidence in the construction sector**, which doesn't show any clear improvement trends as yet.
- **Labor market developments are still positive as seasonally adjusted unemployment rate declined to 20.6 % in January 2018** from 20.8% in the previous month and 23.2% in January 2017, while **in February 2018 the registered unemployed fell by approximately -11.3 thousand** compared with the previous month and by -14.8 thousand compared with February 2017. At the same time, **in March 2018, net hirings increased significantly** (55,494 against 38,517 in March 2017), mainly as a result of employment growth in sectors and jobs related to tourism and retail trade. In total, in Q1 2018, net hirings reached 55.6 thousand, compared with 33.6 thousand in Q1 2017.

On the other hand:

- **Economic climate fell sharply in March 2018 (to 99.8 points from 104.3 in the previous month), after a significant rise in Q4 2017 and the first two months of 2018, mainly driven by deteriorating business expectations in manufacturing, following the global trend.** It is noted, however, that in February 2018 the economic climate was at the highest level since August 2014, while there is a similar trend in the economic climate in the Eurozone, with the relevant index falling to 112.6 points in March 2018, from 114.4 in the previous month.
- At the same time, **consumer confidence remained almost unchanged in March 2018** (-52.8 points from -53 in the previous month and -74.4 in March 2016), with households being slightly more optimistic on unemployment, but at the same time their expectations on their economic situation, the general economic situation and their intention for major purchases over the next 12 months (furniture, electrical equipment etc.) got worse.
- **The decline of expectations in industry was reflected in the downturn of industrial production in non-oil manufacturing, which, after 7 consecutive months of strong growth, declined by -1% in February 2018**, compared with an increase of +5.8% in February 2017 and +3.1% in 2017 as a whole. Yet, in the period Jan-Feb 2018, non-oil manufacturing output rose by +2.5%, on top of +3.6 % in the same period in 2017, with most sectors being in positive territory.



- **Manufacturing PMI also declined (to 55 points from 56.1 in the previous month), as growth of production and new orders slowed down.** However, despite this drop in expectations, business confidence in industry is at a better level than last year, while job creation is considerably strengthened. In any case, **Greek manufacturing production is currently still favoured by the increased external demand, though it is likely to decelerate in the coming months, as global manufacturing output slows down after the strong growth of Q4 2017.**
- According to ELSTAT data, job vacancies decreased in Q4 2017 (2,825 vs 6,315 in Q4 2016 or -55.3%). This evolution is in line with the slowdown in the decline of unemployment in Q4 2017, yet this trend is likely to be reversed in the next period as business expectations for employment, especially in manufacturing, are positive. In any case, **job vacancy data, combined with Labor Force Survey data, recording 1 million unemployed on average in 2017, show that, for each job vacancy there correspond about 87 unemployed people in 2017 vs 86 in 2016 and 99 in 2015.**

Based on these developments, the recovery of the Greek economy is expected to continue in 2018. However, the risk of a new cycle of uncertainty is still present, as long as post-memorandum surveillance and possible debt relief conditions remain unclear. At the same time, the cost of borrowing in international markets remains high, as Greek bond yields, after the 7-year paper of €3 bn issued on 8/2/2018 at 3.5%, do not yet show a steady downward trend.

In this background, and as Greece enters the 4th (and last) program review, **it is essential to stay within the deadlines, as there is no longer the possibility for deferring the implementation of measures into the future. Any delays are likely to impact negatively on the market access conditions and, beyond that, the confidence to the Greek economy's prospects.** The need to eliminate uncertainty in the conduct of economic policy in the months ahead becomes even more urgent, due to the prevailing instability in global political and economic conditions.

It is essential to stay within the deadlines, as there is no longer the possibility for deferring the implementation of measures into the future. Any delays are likely to impact negatively on the market access conditions and, beyond that, the confidence to the Greek economy's prospects.



Main indicators

Economic sentiment

	2016	2017	2018	
	Average	Average	Feb	Mar
Economic climate	91.8	96.8	104.3	99.8
Consumer confidence	-68.0	-63.0	-53.0	-52.8
☹️ % stating that their own economic situation will get worse	72%	67%	57%	61%
☹️ % stating that the country's economic situation will get worse	79%	74%	63%	63%
☹️ % stating that unemployment will rise	77%	68%	58%	52%
☹️ % stating that they are unlikely to save	90%	91%	88%	89%

Employment, Unemployment, prices, wages

	2016	2017	2018	Period
Employment (persons, change year-to-date, seasonally adjusted)	-37,400	+107,700	...	Jan – Dec
Employment (persons, change during month, seasonally adjusted)	-80,800	-3,500	-12,500	Jan
Registered unemployed (change year-to-date)	+35,764	+25,642	+18,801	Jan – Feb
☹️ Registered unemployed (change during month)	+17,814	+7,148	-4,621	Feb
Net hirings (year-to-date)	+33,834	+33,638	+55,580	Jan – Mar
☹️ Net hirings (current month)	+29,351	+38,517	+55,494	Mar
Unemployment rate (seasonally adjusted)	24.4%	23.2%	20.6%	Jan
☹️ Year to date average rate (seasonally adjusted)	23.6%	21.5%	...	Jan – Dec
Index of wages (whole economy, at constant prices, seasonally adjusted)	0.7%	1.2%	...	Q4
Change Year to date (whole economy, in constant prices, seasonally adjusted)	2.5%	-0.4%	...	Jan – Dec
Consumer Price Index	-1.5%	1.7%	-0.2%	Mar
Change Year to date	-0.9%	1.4%	-0.1%	Jan – Mar

GDP

(seasonally adjusted, at constant prices, yoy % change)

	2016	2017	2017		
			Q2	Q3	Q4
GDP	-0,2%	1.4%	1,5%	1,4%	1,9%
Domestic demand	0,5%	1.6%	0,0%	0,8%	2,2%
☹️ Private consumption	0,0%	0.1%	0,8%	-0,2%	-1,0%
☹️ Public consumption	-1,5%	-1.1%	-2,1%	-1,1%	2,1%
☹️ Investment (including inventory change)	7,4%	15.7%	-1,1%	10,9%	22,6%
☹️ Fixed investment	1,6%	9.6%	1,8%	-6,5%	28,9%
☹️ Residential construction	-12,6%	-8.8%	-5,1%	-7,4%	-11,6%
☹️ Non – residential construction	26,3%	-5.4%	-2,1%	-14,4%	9,0%
☹️ Machinery and equipment (incl. weapons)	-10,7%	5.2%	3,0%	-2,5%	21,0%
☹️ Transport equipment (incl. weapons)	-8,7%	83.2%	12,3%	9,1%	127,5%
Net exports					
☹️ Exports of goods and services	-1,8%	6.8%	9,7%	7,6%	5,3%
☹️ Exports of goods	3,7%	5.5%	8,8%	2,8%	7,1%
☹️ Exports of services	-7,7%	8.3%	12,1%	12,1%	2,9%
Imports of goods and services	0,3%	7.2%	4,8%	9,5%	4,9%
Imports of goods	2,9%	6.4%	2,8%	9,4%	3,9%
Imports of services	-10,8%	10.8%	15,5%	6,9%	9,7%

Short term conjunctural indicators

(yoy % change)

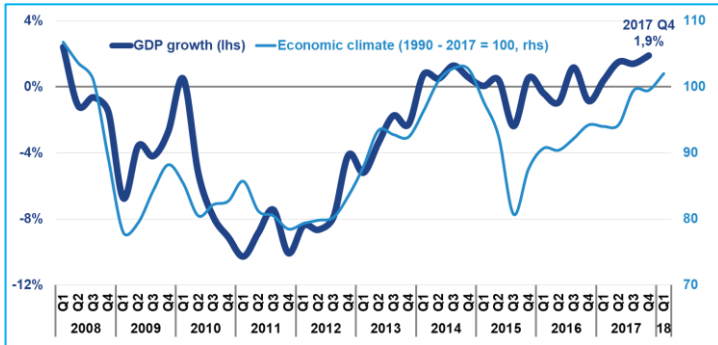
	2016 (full-year)	2017 (full-year)	2018	Period	2018	Period
Industrial production	2.5%	4.5%	-1.6%	Jan – Feb	-2.0%	Feb
Manufacturing (excluding oil)	3.4%	3.1%	2.5%	Jan – Feb	-1.0%	Feb
Production in construction	22.9%	-14.6%	...	...	...	...
Building	18.1%	-10.2%	...	...	...	...
Non – building	26.8%	-17.9%	...	...	...	...
☹️ Private building activity – building permits (volume in m³)	-6.9%	19.4%	...	...	41.7%	Jan
☹️ Retail sales (volume)	-0.6%	1.3%	...	...	1.5%	Jan
☹️ Excluding automotive fuel	0.4%	1.3%	...	...	1.5%	Jan
☹️ New vehicle licenses	11.0%	20.8%	33.3%	Jan – Mar	23.9%	Mar
☹️ Revenue from tax on mobile telephony	-10.7%	-0.1%	...	...	4.2%	Jan
☹️ Exports of goods excl. Oil & ships (ELSTAT, current prices)	2.0%	7.2%	17.6%	Jan – Feb	13.4%	Feb
☹️ Exports of goods excl. Oil & ships, volume	4.9%	3.7%	16.3%	Jan – Feb	12.3%	Feb
☹️ Imports of goods excl. oil & ships (ELSTAT, current prices)	6.0%	7.6%	12.0%	Jan – Feb	6.5%	Feb
☹️ Imports of goods excl. oil & ships, volume	8.1%	7.9%	12.4%	Jan – Feb	6.8%	Feb
Tourism – receipts	-6.4%	10.8%	...	...	-3.0%	Jan
☹️ Transportation – receipts	-21.6%	16.9%	...	...	11.3%	Jan
☹️ Other services* – receipts	4.4%	13.8%	...	...	6.1%	Jan
☹️ Inbound travelers (excl. cruises)	5.1%	9.7%	...	...	16.0%	Jan

* includes construction business activity abroad, software and technology exports, etc

Source: IOBE, ELSTAT, Bank of Greece, Ministry of Labour and Social Solidarity, DG ECFIN, European Commission



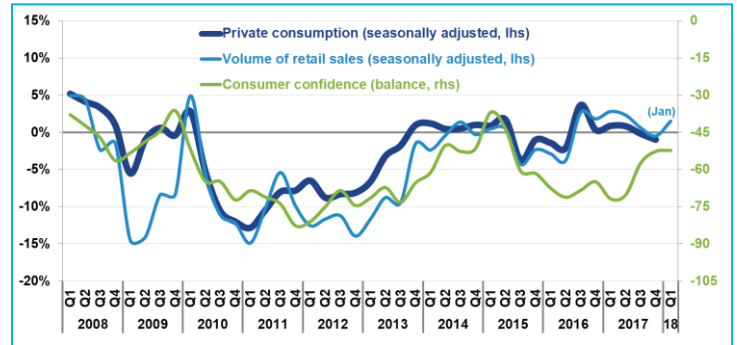
Economic climate



GDP AND ECONOMIC CLIMATE

(ELSTAT, Q4 2017, IOBE-DG ECFIN, Mar. 2018)

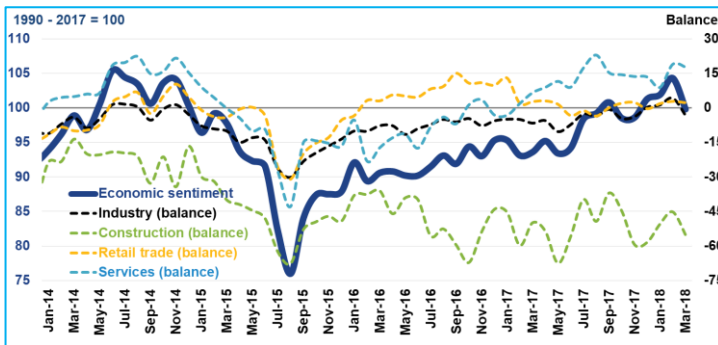
Growth in 2017 (+1.4% vs 1.6% projected in 2018 State Budget and +2.7% initially projected) ended up with investment accelerating and external demand substantially supporting domestic production.



PRIVATE CONSUMPTION, RETAIL SALES, CONSUMER CONFIDENCE

(ELSTAT, Q4 2017, IOBE-DG ECFIN, Mar. 2018)

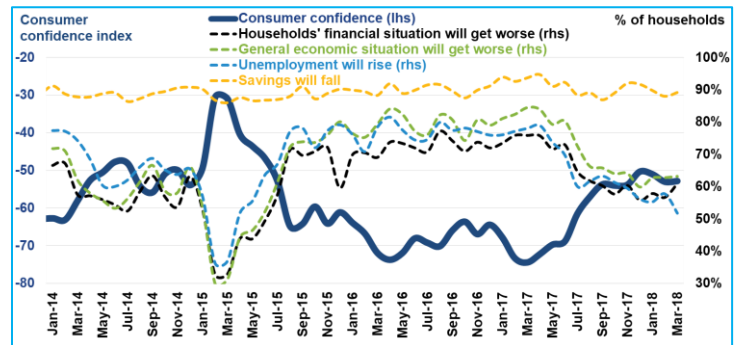
The recovery in retail sales in December 2017 narrowed down to -0.5% the loss in Q4 2017, while private consumption fell by -1% in Q4 2017 and rose marginally (+0.1) in 2017 as a whole.



ECONOMIC CLIMATE AND BUSINESS EXPECTATIONS

(IOBE-DG ECFIN, Mar. 2018)

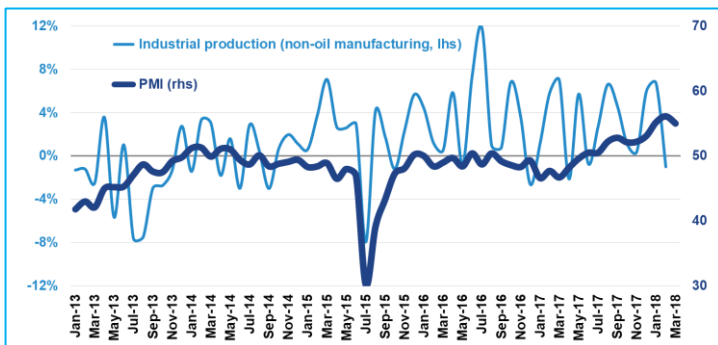
Economic climate fell sharply in March 2018 (to 99.8 points from 104.3 in the previous month), after a significant rise in Q4 2017 and the first two months of 2018, driven mainly by deteriorating business expectations in manufacturing, following the global trend after the strong growth of Q4 2017.



CONSUMER CONFIDENCE

(IOBE-DG ECFIN, Mar. 2018)

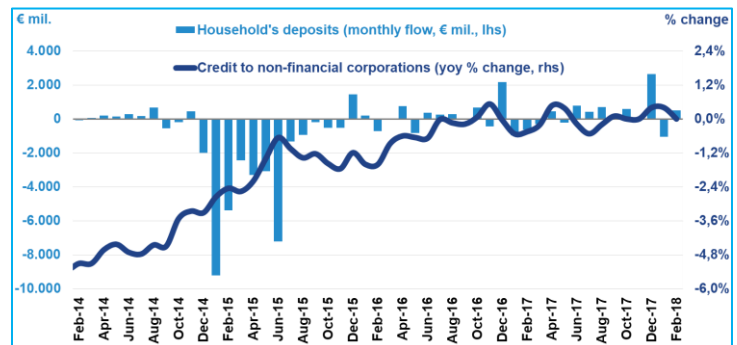
Consumer confidence remained almost unchanged in March 2018, with households being slightly more optimistic on unemployment, but at the same time their expectations on their economic situation and the general economic situation got worse.



PURCHASING MANAGERS' INDEX (PMI)

(Markit, Mar. 2018)

Manufacturing PMI declined (to 55 points from 56.1 in the previous month), as growth of production and new orders slowed down. Despite this drop in expectations, business confidence in industry is at a better level than last year, while job creation is considerably strengthened.



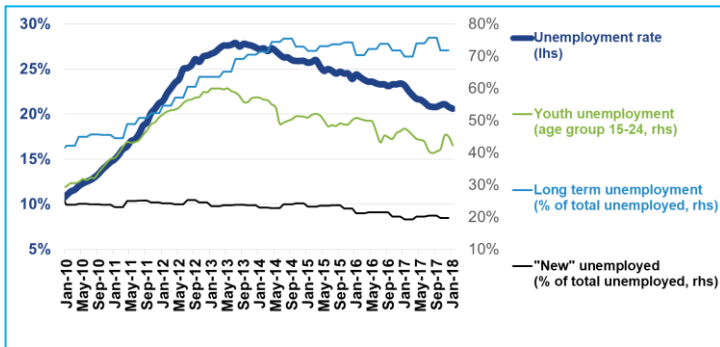
CREDIT TO BUSINESSES AND HOUSEHOLDS DEPOSITS

(Bank of Greece, Feb. 2018)

Bank business credit expansion has been marginal since Autumn 2017 (+0% in Feb. 2018), indicating that the deleveraging of almost 6 years comes to an end. Households' deposits (+€505 mil. in Feb. 2018) have also been stabilised.



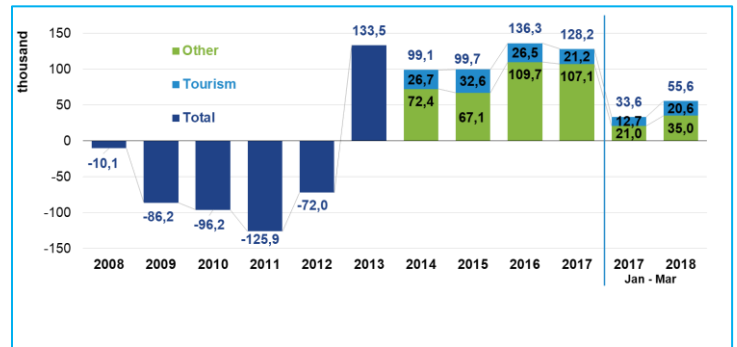
Employment, prices, wages



UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)

(ELSTAT, Jan. 2018)

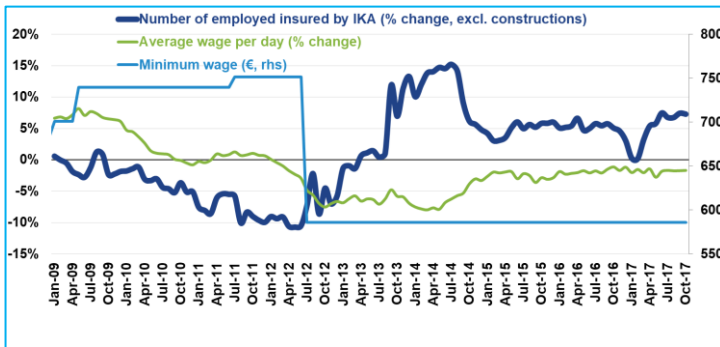
The unemployment rate declined at a faster pace in the period Jan – Aug 2017, as a result of rising tourism and active labour policies implemented by the Hellenic Manpower Organisation (OAED). The decline slowed down after Sep 2017 (20.6 in Jan 2018), following the seasonality of previous years.



NET HIRINGS

(ERGANI, Mar. 2018)

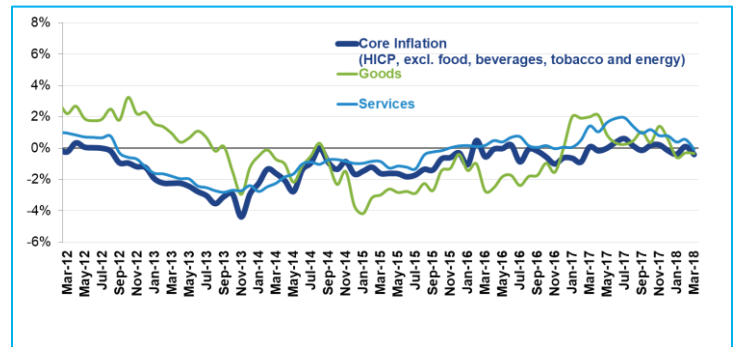
Net hirings increased significantly in March 2018 (55,494 against 38,517 in March 2017), mainly as a result of employment growth in sectors and jobs related to tourism and retail trade. In total, during Q1 2018, net hirings reached 55.6 thousand, compared with 33.6 thousand in Q1 2017.



NUMBER OF EMPLOYED INSURED BY IKA AND AVERAGE WAGE

(Yoy % change, IKA, Oct. 2017)

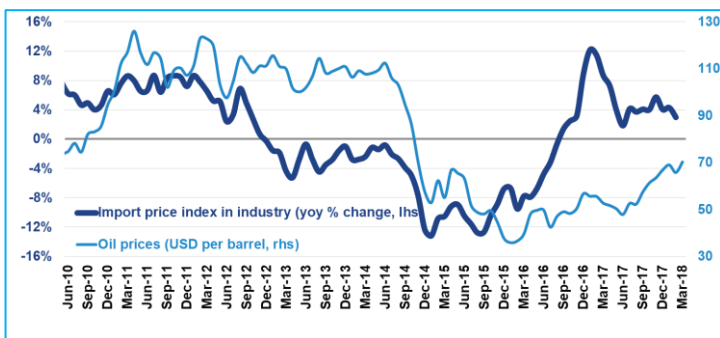
The number of employed insured by IKA has been rising since April 2013. Part of this increase may be due to shifts from undeclared to formal employment. The growth rate was weakened in Jan. 2017 but rebounded in March, while average earnings continue to decline.



GOODS AND SERVICES INFLATION, CORE INFLATION

(ELSTAT, Mar. 2018)

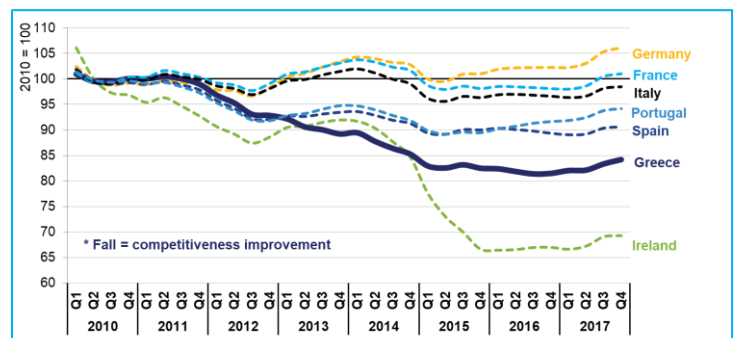
Inflation was negative in March 2018 (-0.2%), as the effect of indirect taxes hike has faded out. March is the second month in 2018 with deflation (-0.1% on average in Q1 2018).



IMPORT PRICE INDEX IN INDUSTRY AND OIL PRICES

(ELSTAT, Feb. 2018, Bloomberg, Mar. 2018)

After almost 4 years of decline, import price index in industry is on the rise since Sep 2016 (+3% in Feb. 2018), while oil prices are moving upwards since June 2017.

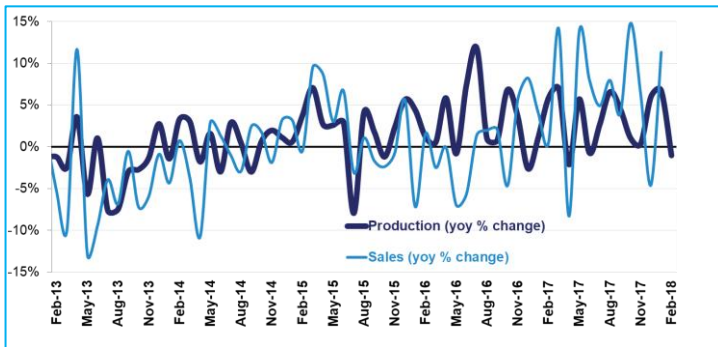


PRICE AND COST COMPETITIVENESS: REAL EFFECTIVE EXCHANGE RATE

Reforms in recent years have contributed to the recovery of a significant part of Greece's competitiveness compared with other European countries. However, the improvement of the Greek competitiveness appears to be reversed since Q4 2016.

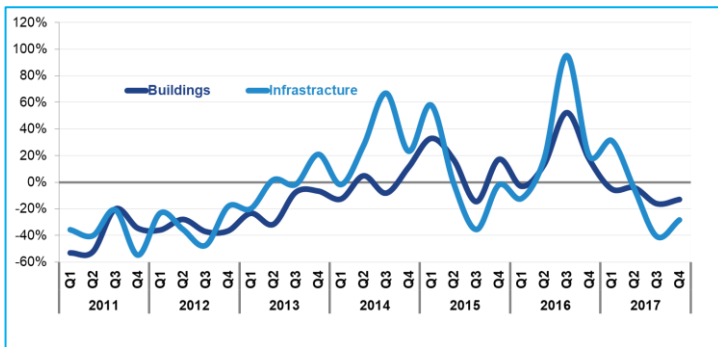


Industry, trade, services



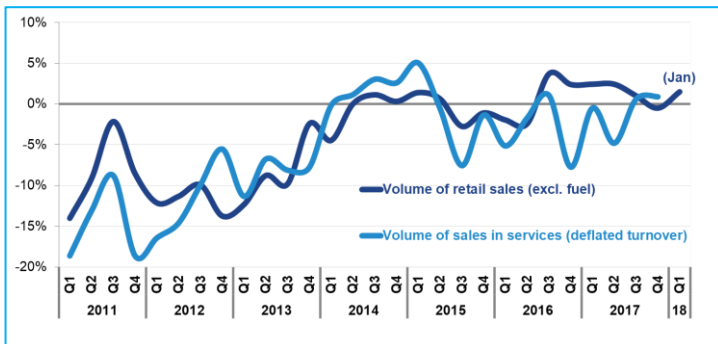
PRODUCTION AND TURNOVER IN NON-OIL MANUFACTURING (ELSTAT, Feb. 2018)

The decline of expectations in industry was reflected in the downturn of industrial production in non-oil manufacturing, which, after 7 consecutive months of strong growth, declined by -1% in February 2018, compared with an increase of +5.8% in February 2017 and +3.1% in 2017 as a whole.



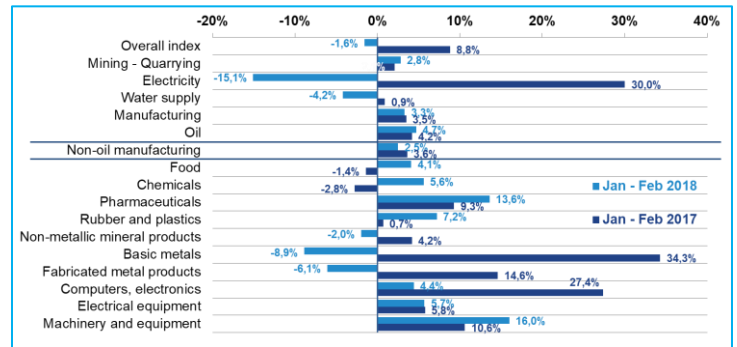
VOLUME OF PRODUCTION IN CONSTRUCTION (Yoy % change, ELSTAT, Q4 2017)

Although output in construction declined in 2017 (-14.6%) after three consecutive years of growth (+15.5% in 2014, +3.1% in 2015 and +22.9% in 2016), reflecting the completion of some major road construction projects, private building activity as measured by the volume in m3 of permits shows signs of recovery (+19.4% in 2017 and +41.7% in January 2018).



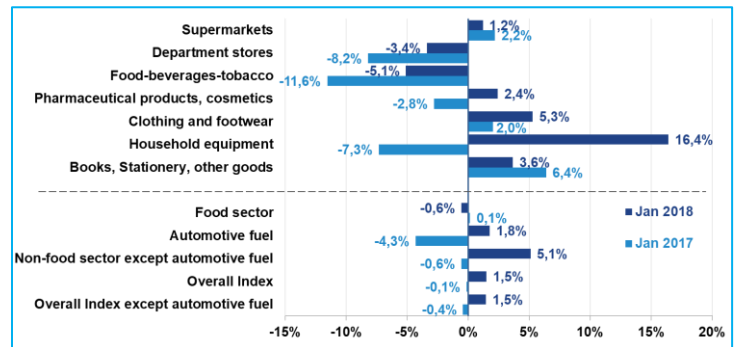
VOLUME OF RETAIL AND SERVICES SALES (ELSTAT, Eurostat, Q4 2017, ELSTAT, Jan. 2018)

The rise of tourism, contributed to the recovery of sales volume in Services in Q3 and Q4 2017, while retail sales volume recovered in December 2017, after recording losses during the period Sep-Nov 2017 (-1.7%).



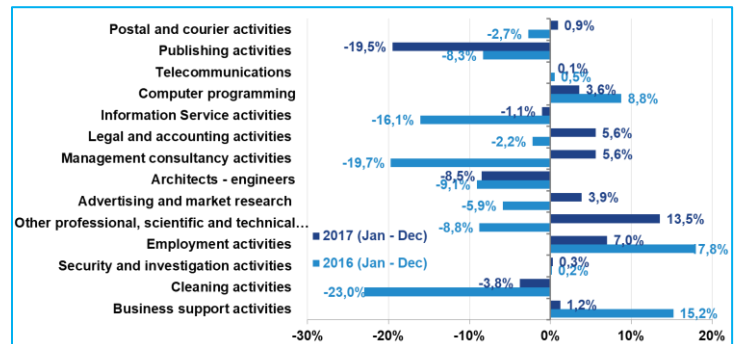
INDUSTRIAL PRODUCTION BY SECTOR (ELSTAT, Feb. 2018)

In the period Jan-Feb 2018, non-oil manufacturing output rose by +2.5% with most sectors being in positive territory. Greek manufacturing production is currently still favoured by the increased external demand, though it is likely to decelerate in the coming months, as global manufacturing output slows down after the strong growth of Q4 2017.



VOLUME OF RETAIL SALES (% change by store category, ELSTAT, Jan. 2018)

Retail sales volume excluding fuel rose by +1.5% in January 2018 (compared with a decline of -0.4% in January 2017), following the positive expectations in the retail sector, which, despite a slight setback in March 2018, are moving upwards.

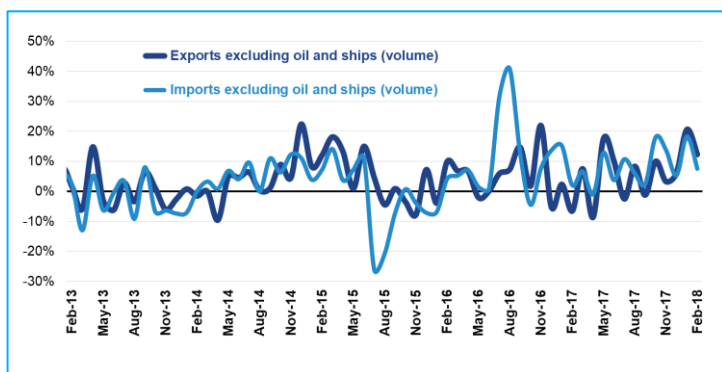


TURNOVER INDICES IN SERVICES (ELSTAT, Q4 2017)

The sectors of employment activities, management consultancy activities and legal and accounting activities, contributed the most to the increase in services turnover in 2017 as a whole.

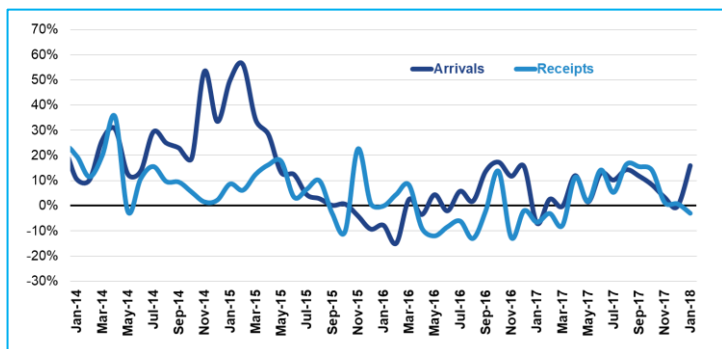


Exports, tourism



VOLUME OF NON-OIL EXPORTS AND NON-OIL IMPORTS OF GOODS
(ELSTAT, Feb. 2018)

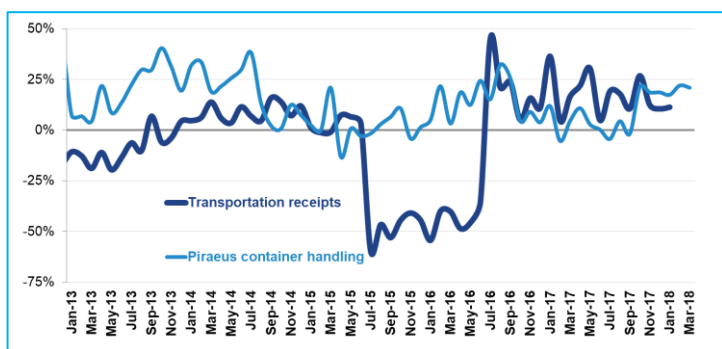
The strong recovery in the global economy still favours Greek exports of goods excluding oil and ships, which continued to grow in February 2018 (+13.4% in terms of value and +12.3% in terms of volume).



TOURIST ARRIVALS AND RECEIPTS

(Bank of Greece, Jan. 2018)

Turnover in tourism kept on rising (+7.1% in Q4 2017 and +9.9% in 2017 as a whole) as a result of increasing arrivals. Moreover, net travel receipts in January 2018 remained at the same level compared with January 2017, despite the remarkable increase by +16% in arrivals.



TRANSPORTATION RECEIPTS

(BoG, Jan. 2018, Piraeus container handling: COSCO, Mar. 2018)

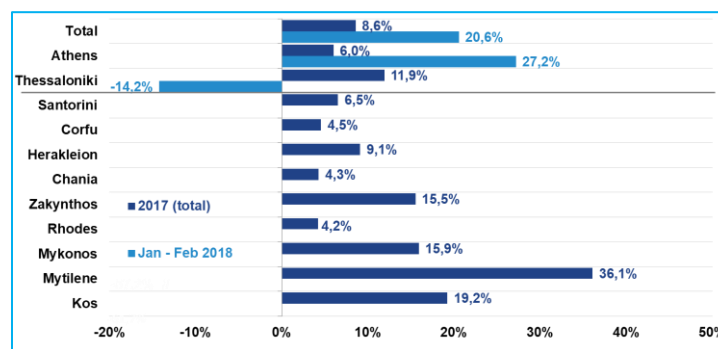
The gradual recovery of transport receipts (+11.3% in January 2018, on top of +16.9% in 2017) shows that the major turmoil in shipping imposed by capital controls is gradually being reversed.

Group of products	Jan – Feb		%Δ	
	(€ mil.)			
	2017	2018		
Agricultural products	819,4	969,3	18,3%	
Food	621,8	682,6	9,8%	
Beverages / Tobacco	89,8	90,6	0,9%	
Animal and vegetable oil	107,9	196,1	81,8%	
Crude Materials	210,2	231,2	10,0%	
Mineral Fuels	1.364,8	1.581,5	15,9%	
Industrial products	1.775,6	2.083,7	17,4%	
Chemicals	458,2	510,9	11,5%	
Goods classified by material	636,3	793,8	24,7%	
Machinery & transport equipment	383,1	437,6	14,2%	
Misc. manufactured articles	298,0	341,4	14,6%	
Not classified commodities	83,9	85,0	1,3%	
Total	4.253,9	4.950,7	16,4%	
Total excl. Oil	2.889,1	3.369,2	16,6%	
Memo item:				
	Jan - Dec:	2016	2017	%Δ
Manufactured products		15.548,3	16.858,7	8,4%
of which: Food / Beverages		3.141,4	3.261,2	3,8%
Crude materials & primary products		3.132,0	3.198,3	2,1%
of which: Agricultural products		2.038,3	1.889,4	-7,3%

EXPORTS BY PRODUCT

(ELSTAT, Eurostat, Feb. 2018)

Total exports of goods increased by +16.4% in the period Jan – Feb 2018, mainly as result of strong export performance of olive oil (+81.8%) and industrial products (+17.4%), especially industrial goods classified by material (+24.7%) and machinery (+14.5%).



INTERNATIONAL ARRIVALS AT MAIN AIRPORTS

(SETE, Feb. 2018)

International arrivals in the Greek airports increased by +20.6% in Jan-Feb 2018, on top of +8.6% in 2017. Traffic in classic tourist destinations was particularly strengthened in 2017, while in Kos and in Mytilene the downward trend of 2016, mainly due to the refugee issue, was reversed.



SEV Members Financial Data

ASSETS
€368_{bn}
67% of total*



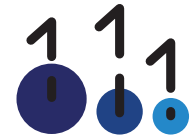
EQUITY
€60_{bn}
51% of total*



TURNOVER
€62_{bn}
43% of total*



PROFITS BEFORE TAXES
€2,4_{bn}**
30% of total**



EMPLOYEES
190.000
11% employees insured by IKA



WAGES
€4,8_{bn}
20% of total***



SOCIAL SECURITY CONTRIBUTIONS
€2,1_{bn}
20% of total***



TAXES ON PROFITS
€0,8_{bn}
29% of total****



* 20,500 financial statements for fiscal year 2015 included in ICAP database

** sum of reported profits

*** % of total regular earnings (excluding bonuses and overtime)/social security contributions of employees insured by IKA

**** % of total revenues from corporate income tax

Source: ICAP, IKA, Ministry of Finance



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